

1. This document is a translation of the official Japanese Notice of the Convocation of the Ordinary General Meeting of Shareholders for the 105<sup>th</sup> Business Term.
2. This translation is provided only as a reference to assist shareholders in their voting and does not constitute an official document.
3. In the event of any discrepancies between this translated document and the Japanese original, the original shall prevail.

(Securities code: 7915)

March 1, 2024

(Commencement date of the electronic provision measures: February 29, 2024)

To All Shareholders

3 Mibu Hanai-cho, Nakagyo-ku, Kyoto, Japan

Nissha Co., Ltd.

Junya Suzuki, Chairman of the Board, President and CEO

## Notice of Convocation of the Ordinary General Meeting of Shareholders for the 105<sup>th</sup> Business Term

We hereby notify that the Ordinary General Meeting of Shareholders for the 105<sup>th</sup> Business Term of Nissha Co., Ltd. (the “Company”) shall be held as described below.

In convening this meeting, the Company has taken electronic provision measures for the information contained in the Reference Materials for the General Meeting of Shareholders, etc. (matters subject to electronic provision measures) and posted such matters on the Company’s website on the Internet. You are kindly requested to access the Company’s website and read through the matters.

■ **NISSHA’s website:** <https://www.nissha.com/ir/stock/meeting.html>

(Reference: <https://www.nissha.com/english/ir/stock/meeting.html>)

The matters subject to electronic provision measures are also posted on the website of the Tokyo Stock Exchange (TSE), besides the aforementioned website. Please find the information by visiting the TSE’s website (Listed Company Search) linked below. On this page, you can search for the information by entering either the issue name “NISSHA” or the securities code “7915,” and then by selecting either “Basic information” or “Documents for public inspection/PR information” tab.

■ **TSE’s website (Listed Company Search):**

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

(Reference: <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>)

Instead of attending on the day, you may exercise your voting rights by an electromagnetic method (via the Internet, etc.) or in writing. You are requested to exercise your voting rights by 6 p.m. on March 21, 2024 (Thu.) after examining the “Reference Materials for the General Meeting of Shareholders.”

## Ordinary General Meeting of Shareholders

1. **Date and time:** March 22, 2024 (Fri.), 10:00 a.m. (Reception for the meeting will start at 9:00 a.m.)
2. **Venue:** Company auditorium, 3 Mibu Hanai-cho, Nakagyo-ku, Kyoto, Japan  
(Please refer to the “Guide to the Venue for the General Meeting of Shareholders” of the Japanese original.)
3. **Agenda:**
  1. **Matters to be reported**
    1. Report on the Business Report, Consolidated Financial Statements for the 105<sup>th</sup> business term (from January 1, 2023 through December 31, 2023) and the Audit Results of the Accounting Auditor and the Audit and Supervisory Board
    2. Report on the Non-consolidated Financial Statements for the 105<sup>th</sup> business term (from January 1, 2023 through December 31, 2023)

### Proposals to be resolved

**Proposal 1:** Election of Nine (9) Directors of the Board

**Proposal 2:** Election of Two (2) Audit and Supervisory Board Members

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Any significant changes in the operation of the General Meeting of Shareholders will be notified through the Company’s website (<https://www.nissha.com/english/>).

## Guide to the Exercise of Voting Rights

Voting rights at a general meeting of shareholders are important rights of shareholders to participate in management of the Company. You are kindly requested to exercise your voting rights referring to the guide below.

<b>1 Exercise of voting rights via the Internet</b> You are kindly requested to either scan the QR Code printed on the enclosed Voting Rights Exercise Form or access the voting right exercise website ( <a href="https://soukai.mizuho-tb.co.jp/">https://soukai.mizuho-tb.co.jp/</a> ), and enter your approval or disapproval of the proposals in accordance with the instructions on the screen.
Deadline: accepted up to March 21, 2024 (Thu.), 6:00 p.m.
<b>2 Exercise of voting rights in writing</b> Please indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and send the form back to the Company.
Deadline: to be received by March 21, 2024 (Thu.), 6:00 p.m.
<b>3 Exercise of voting rights by attending the meeting in person</b> You are kindly requested to submit the enclosed Voting Rights Exercise Form to the reception desk at the meeting site.
Date and time: March 22, 2024 (Fri.), 10:00 a.m. (Reception for the meeting will start at 9:00 a.m.)

### Handling of voting rights

- If you do not indicate your approval or disapproval of a proposal on the Voting Rights Exercise Form you sent back to the Company:
    - Your vote shall be treated as an approval for the Company's proposal.
  - If you exercise your voting rights in duplicate in writing and via the Internet:
    - The voting rights exercised via the Internet shall be deemed valid.
  - If you exercise your voting rights multiple times via the Internet:
    - The last vote shall be deemed valid.
1. Of the matters subject to electronic provision measures, the following matters are not included in the documents to be delivered to those shareholders who have requested the delivery of documents in accordance with laws and regulations, and the provisions of the Articles of Incorporation of the Company. Audit and Supervisory Board Members and the Accounting Auditor have audited documents subject to audit, which include the following matters.
    - (1) Matters Regarding Accounting Auditors, Systems to Ensure the Propriety of Operations and Overview of the State of Operations of the Systems, and Basic Policy Regarding the Control over the Company, all of which are contained in the Business Report
    - (2) Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements in the Consolidated Financial Statements
    - (3) Non-consolidated Statement of Changes in Equity and Notes to Non-consolidated Financial Statements in the Non-consolidated Financial Statements
  2. If the matters subject to electronic provision measures are corrected, a statement to that effect and the matters before and after the correction will be posted on the Company's website and the TSE's website.

## Reference Materials for the General Meeting of Shareholders

### Proposal 1: Election of Nine (9) Directors of the Board

The term of office of all nine (9) Directors of the Board shall expire at the close of this Ordinary General Meeting of Shareholders.

Therefore, the Company proposes the election of nine (9) Directors of the Board, including four (4) Independent Outside Directors of the Board.

Candidates for the position of Directors of the Board were determined based on a report of the Nomination and Compensation Committee chaired by an Independent Outside Director of the Board in accordance with the Company's standards for selecting candidates for the position of Directors of the Board. The candidates for the position of Independent Outside Directors of the Board satisfy the Company's "Standards for Independence of Independent Officers."

The candidates for the position of Directors of the Board are as follows:

No.	Name			Current positions and responsibilities at the Company	Period served as a Director of the Board	Attendance at meetings of the Board of Directors
1	Junya Suzuki	Male; Reappointment		Chairman of the Board, President and CEO Chairman of Sustainability Committee Internal Control	24 years and 9 months	100% (18 out of 18)
2	Daisuke Inoue	Male; Reappointment		Director of the Board Senior Executive Vice President General Manager of Devices Business Unit General Affairs and Legal Affairs Chairman of Risk Management and Compliance Committee Director of Tokyo Division Headquarters	6 years	100% (18 out of 18)
3	Wataru Watanabe	Male; Reappointment		Director of the Board Senior Executive Vice President Chief Strategy Officer Senior Director of New Business Development Office Corporate Strategy Planning ESG Promotion	6 years	100% (18 out of 18)
4	Yutaka Nishimoto	Male; Reappointment		Director of the Board Executive Vice President Chief Quality and Production Officer Senior Director of Digital Transformation Promotion Office Corporate Logistics Senior Director of Devices Business Unit (Quality, Procurement, and Production)	3 years	100% (18 out of 18)
5	Hisashi Iso	Male; Reappointment		Director of the Board Executive Vice President General Manager of Industrial Materials Business Unit Corporate Supply Chain	3 years	100% (18 out of 18)
6	Kazuhito Osugi	Male; Reappointment Candidate for Independent Outside Director of the Board	Independent Officer	Director of the Board	7 years and 9 months	100% (18 out of 18)
7	Kazumichi Matsuki	Male; Reappointment Candidate for Independent Outside Director of the Board	Independent Officer	Director of the Board	5 years	100% (18 out of 18)
8	Juichi Takeuchi	Male; Reappointment Candidate for Independent Outside Director of the Board	Independent Officer	Director of the Board	2 years	100% (18 out of 18)
9	Yukiko Hashitera	Female; New appointment Candidate for Independent Outside Director of the Board	Independent Officer	–	–	–

Candidate number	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares held
1	Junya Suzuki (December 8, 1964) Reappointment  (Period served as a Director of the Board) 24 years and 9 months as of the close of the meeting  (Attendance at meetings of the Board of Directors in FY2023.12) 18 out of 18 (100%)	<p>April 1990 Entered The Dai-ichi Kangyo Bank, Limited (currently, Mizuho Financial Group, Inc.), Ginza Branch Office</p> <p>April 1993 Industrial Research Office, Corporation Planning Division</p> <p>March 1995 Acquired credits from the Doctoral Program, Graduate School of Business and Commerce, Keio University</p> <p>March 1996 Los Angeles Branch Office, The Dai-ichi Kangyo Bank, Limited</p> <p>March 1998 Entered the Company</p> <p>June 1999 Director of the Board</p> <p>June 2001 Executive Director of the Board</p> <p>April 2003 Executive Director of the Board, General Manager of International Sales, Industrial Materials and Input Devices Business Unit</p> <p>June 2003 Senior Executive Director of the Board</p> <p>July 2005 Director of the Board, Corporate Vice President</p> <p>April 2006 Director of the Board, Corporate Vice President, General Manager of Corporate Strategy</p> <p>June 2007 Chairman of the Board, President and CEO (present post)</p> <p><b>【Responsibilities】</b> Chief Executive Officer, Chairman of Sustainability Committee, Internal Control</p>	603,700 shares

(Significant positions concurrently held)

Chairman of the Board, Nissha USA, Inc. / Chairman of the Board, Nissha Europe GmbH / Chairman of the Board, Nissha Metallizing Solutions N.V. / President and CEO, Representative Director, Suzuki Kosan Co., Ltd. / Chairman of the board of directors, Nissha Foundation

(Reasons for selecting the candidate for a Director of the Board)

Mr. Junya Suzuki has duly performed his duties as Chairman of the Board, President and CEO, such as decision-making on important managerial issues and the supervision of the execution of operations. He has also committed to management from medium- to long-term perspectives and has shown strong leadership and decisiveness toward the realization of the Nissha Group's Mission since he assumed office as Chairman of the Board, President and CEO in 2007. We ask for his election so that he may continuously serve as a Director of the Board, since we judge that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations.

Notes:

1. No special interests exist between Mr. Junya Suzuki and the Company.
2. Shares held under the name of the shareholding association are included in the number of shares held.
3. The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the reelection of Mr. Junya Suzuki, he will continue to be insured under the insurance contract.  
Please refer to "4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract" of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.

Candidate number	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares held
2	Daisuke Inoue (February 1, 1966) Reappointment  (Period served as a Director of the Board) 6 years as of the close of the meeting  (Attendance at meetings of the Board of Directors in FY2023.12) 18 out of 18 (100%)	<p>April 1989 Entered The Sumitomo Bank, Limited (currently, Sumitomo Mitsui Banking Corporation)</p> <p>January 1997 Atlanta Branch</p> <p>January 1998 New York Branch</p> <p>April 1999 Head Office Marketing and Sales Division I</p> <p>January 2002 Hong Kong Branch</p> <p>April 2006 Entered the Company</p> <p>April 2007 Director of Strategies for Subsidiaries and Associates, Corporate Strategy</p> <p>April 2008 Director of Corporate Strategy Planning, Corporate Strategy</p> <p>April 2009 Deputy General Manager of Corporate Strategy</p> <p>March 2010 Completed MBA, Graduate School of Management, Ritsumeikan University</p> <p>April 2011 Vice President, Director of Corporate Strategy Planning</p> <p>September 2012 Vice President, Senior Director of Devices Business Unit</p> <p>April 2013 Senior Vice President, Senior Director of Devices Business Unit</p> <p>April 2015 Executive Vice President, General Manager of Devices Business Unit</p> <p>March 2018 Director of the Board, Executive Vice President, General Manager of Devices Business Unit</p> <p>January 2021 Director of the Board, Senior Executive Vice President, General Manager of Devices Business Unit (present post)</p> <p><b>【Responsibilities】</b> Senior Executive Vice President, General Manager of Devices Business Unit, General Affairs and Legal Affairs, Chairman of Risk Management and Compliance Committee, Director of Tokyo Division Headquarters</p>	6,005 shares

(Significant positions concurrently held)

Representative Director and CEO, Nissha FIS, Inc.

(Reasons for selecting the candidate for a Director of the Board)

Mr. Daisuke Inoue has duly performed his duties as a Director of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. In addition, he assumes responsibility for business management as Senior Executive Vice President and General Manager of Devices Business Unit, working to establish and implement marketing-based strategies for winning new orders while showing strong leadership from the perspective of the Nissha Group as a whole as an executive responsible for General Affairs and Legal Affairs. We ask for his election so that he may continuously serve as a Director of the Board, since we judge that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations.

Notes:

1. No special interests exist between Mr. Daisuke Inoue and the Company.
2. Shares held under the name of the shareholding association are included in the number of shares held.
3. The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the reelection of Mr. Daisuke Inoue, he will continue to be insured under the insurance contract.

Please refer to “4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract” of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.

Candidate number	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares held	
3	Wataru Watanabe (December 11, 1971) Reappointment  (Period served as a Director of the Board) 6 years as of the close of the meeting  (Attendance at meetings of the Board of Directors in FY2023.12) 18 out of 18 (100%)	March 1996	Entered the Company	4,781 shares
		April 2010	Chief Executive Officer, Nissha USA, Inc.	
		September 2011	Completed MBA, Kellstadt Graduate School of Business, DePaul University	
		October 2011	Director of Corporate Strategy Planning	
		April 2014	Director of Corporate Strategy Planning and Director of Secretary's Office	
		April 2015	Vice President, Director of Corporate Strategy Planning and Director of Secretary's Office	
		January 2018	Senior Vice President, Director of Corporate Strategy Planning and Director of Secretary's Office	
		March 2018	Director of the Board, Senior Vice President, Director of Corporate Strategy Planning and Director of Secretary's Office	
		January 2019	Director of the Board, Senior Vice President, Director of Corporate Strategy Planning, Director of New Business Development, Director of Secretary's Office and Interim General Manager of Industrial Materials Business Unit	
		October 2019	Director of the Board, Senior Vice President, Director of Corporate Strategy Planning, Director of New Business Development and Director of Secretary's Office	
		January 2020	Director of the Board, Executive Vice President, Director of Corporate Strategy Planning and Director of New Business Development	
		January 2021	Director of the Board, Executive Vice President, Director of Corporate Strategy Planning and Senior Director of New Business Development Office	
		January 2023	Director of the Board, Executive Vice President, Director of Corporate Strategy Planning, Director of ESG Promotion and Senior Director of New Business Development Office	
		January 2024	Director of the Board, Senior Executive Vice President, Senior Director of New Business Development Office (present post)	
	<b>【Responsibilities】</b> Senior Executive Vice President, Chief Strategy Officer, Senior Director of New Business Development Office, Corporate Strategy Planning, ESG Promotion			

(Reasons for selecting the candidate for a Director of the Board)

Mr. Wataru Watanabe has duly performed his duties as a Director of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. As well as drawing up and promoting medium-term business plans as Senior Executive Vice President and Chief Strategy Officer, he shows strong leadership in accelerating the reorganization of the business portfolio of the Company and expanding business performance by creating new businesses as Senior Director of New Business Development Office. We ask for his election so that he may continuously serve as a Director of the Board, since we judge that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations.

Notes:

1. No special interests exist between Mr. Wataru Watanabe and the Company.
2. Shares held under the name of the shareholding association are included in the number of shares held.
3. The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the reelection of Mr. Wataru Watanabe, he will continue to be insured under the insurance contract.  
Please refer to "4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract" of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.

Candidate number	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares held	
4	Yutaka Nishimoto (December 22, 1969) Reappointment  (Period served as a Director of the Board) 3 years as of the close of the meeting  (Attendance at meetings of the Board of Directors in FY2023.12) 18 out of 18 (100%)	March 1993	Entered the Company	5,236 shares
		April 2008	Director of Foil Printing Production, Kameoka Factory, Nitec Industries, Inc.* (currently, Nissha Industries, Inc.)	
		January 2011	Factory Manager, Kaga Factory, Nitec Precision, Inc.* (currently, Nissha Precision and Technologies, Inc.)	
		April 2012	Representative Director	
		April 2013	Director of the board and Factory Manager, Kaga Factory, Nitec Precision and Technologies, Inc.* (currently, Nissha Precision and Technologies, Inc.)	
		February 2014	Director of the board and Chief Operating Officer	
		April 2015	Vice President, Senior Director of Devices Business Unit (Production), the Company	
		April 2015	Representative Director and CEO, Nitec Precision and Technologies, Inc. (present post)	
		September 2015	Vice President, Senior Director of Devices Business Unit (Production and Procurement), the Company	
		January 2018	Senior Vice President, Senior Director of Devices Business Unit (Production)	
		January 2021	Executive Vice President, Senior Director of Devices Business Unit (Quality and Production)	
		March 2021	Director of the Board, Executive Vice President, Senior Director of Devices Business Unit (Quality and Production)	
		January 2022	Director of the Board, Executive Vice President, Senior Director of Devices Business Unit (Quality, Engineering, and Production)	
		January 2024	Director of the Board, Executive Vice President, Senior Director of Digital Transformation Promotion Office and Senior Director of Devices Business Unit (Quality, Procurement, and Production) (present post)	
	<b>【Responsibilities】</b> Executive Vice President, Chief Quality and Production Officer, Senior Director of Digital Transformation Promotion Office, Corporate Logistics, Vice President of Devices Business Unit (Quality, Procurement, and Production)			

\* Wholly-owned subsidiaries of the Company

(Significant positions concurrently held)

Representative Director and CEO, Nissha Precision and Technologies, Inc. / Chairman of the Board, Nissha Vietnam Co., Ltd.

(Reasons for selecting the candidate for a Director of the Board)

Mr. Yutaka Nishimoto has duly performed his duties as a Director of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. As Executive Vice President and Chief Quality and Production Officer, he is working to establish a comprehensive quality assurance system and to design and implement the optimum deployment of production capacity in accordance with our business strategy from the perspective of the Nissha Group as a whole. At the same time, he shows strong leadership in putting in place an efficient and cost advantageous logistics system from a global point of view as an executive responsible for Corporate Logistics. We ask for his election so that he may continuously serve as a Director of the Board, since we judge that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations.

Notes:

1. No special interests exist between Mr. Yutaka Nishimoto and the Company.
2. Shares held under the name of the shareholding association are included in the number of shares held.
3. The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the reelection of Mr. Yutaka Nishimoto, he will continue to be insured under the insurance contract. Please refer to “4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract” of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.



Candidate number	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares held
5	Hisashi Iso (December 12, 1964) Reappointment  (Period served as a Director of the Board) 3 years as of the close of the meeting  (Attendance at meetings of the Board of Directors in FY2023.12) 18 out of 18 (100%)	<p>April 1987 Entered the Company</p> <p>April 2007 Director of PC Marketing and Sales, Industrial Materials and Input Devices Business Unit</p> <p>April 2011 Director of Procurement and Sourcing, Devices Business Unit</p> <p>October 2013 Senior Director of Devices Business Unit (Customer Relationship Management)</p> <p>April 2015 Vice President, Senior Director of Devices Business Unit (Customer Relationship Management)</p> <p>April 2017 Vice President, Senior Director of Devices Business Unit (Customer Relationship Management and Module Products)</p> <p>January 2018 Vice President, Senior Director of Devices Business Unit (Customer Relationship Management and Procurement)</p> <p>January 2019 Vice President, Senior Director of Devices Business Unit (Customer Relationship Management, Supply Chain Management and Procurement)</p> <p>July 2019 Vice President, Senior Director of Industrial Materials Business Unit (Customer Relationship Management) and Senior Director of Devices Business Unit (Supply Chain Management and Procurement)</p> <p>January 2020 Vice President, Senior Director of Industrial Materials Business Unit (Customer Relationship Management and Procurement)</p> <p>June 2020 Senior Vice President, General Manager of Industrial Materials Business Unit</p> <p>March 2021 Director of the Board, Senior Vice President, General Manager of Industrial Materials Business Unit</p> <p>January 2022 Director of the Board, Executive Vice President, General Manager of Industrial Materials Business Unit (present post)</p> <p><b>【Responsibilities】</b> Executive Vice President, General Manager of Industrial Materials Business Unit, Corporate Supply Chain</p>	3,652 shares

(Significant positions concurrently held)

Representative Director and CEO, Nissha Korea Inc. / Chairman of the Board and CEO, Taiwan Nissha Co., Ltd.

(Reasons for selecting the candidate for a Director of the Board)

Mr. Hisashi Iso has duly performed his duties as a Director of the Board, such as decision-making on important managerial issues and the supervision of the execution of operations. He assumes responsibility for business management as Executive Vice President and General Manager of Industrial Materials Business Unit, working to establish and implement marketing-based strategies for winning new orders while showing strong leadership in putting in place an efficient and cost advantageous procurement system from a global point of view as an executive responsible for Corporate Supply Chain. We ask for his election so that he may continuously serve as a Director of the Board, since we judge that he is an appropriate talented person who will continue to carry out sound growth strategies for the Company and supervise the execution of operations.

Notes:

1. No special interests exist between Mr. Hisashi Iso and the Company.
2. Shares held under the name of the shareholding association are included in the number of shares held.
3. The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the reelection of Mr. Hisashi Iso, he will continue to be insured under the insurance contract.  
Please refer to “4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract” of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.

Candidate number	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares held	
6	Kazuhito Osugi (July 31, 1953) Reappointment Candidate for Independent Outside Director of the Board Independent Officer  (Period served as a Director of the Board) 7 years and 9 months as of the close of the meeting  (Attendance at meetings of the Board of Directors in FY2023.12) 18 out of 18 (100%)	April 1977	Entered the Bank of Japan	0 shares
		May 1984	Completed MBA, Graduate School of Business Administration, University of Michigan	
		November 1986	Economist, BIS (Bank for International Settlements)	
		June 1999	General Manager, the Bank of Japan Matsumoto Branch	
		May 2001	Deputy General Manager, the Bank of Japan Osaka Branch	
		May 2003	Senior Director, Industrial Revitalization Corporation of Japan	
		July 2005	Deputy Director- General, Head of Center for Advanced Financial Technology, the Bank of Japan Financial System and Bank Examination Department	
		May 2006	Director-General, the Bank of Japan Internal Auditors' Office	
		April 2007	Director-General, the Bank of Japan Secretariat of the Policy Board	
		April 2009	Guest professor, Ochanomizu University	
		September 2011	Auditor, the Bank of Japan	
		October 2015	Advisor of Security Transport Business Division, NIPPON EXPRESS CO., LTD.	
June 2016	Independent Outside Director of the Board, the Company (present post)			
August 2018	Independent Outside Director of the Board, Frontier Management Inc. (present post)			
June 2021	Independent Outside Director of the Board, The Gunma Bank, Ltd. (present post)			

(Significant positions concurrently held)

Independent Outside Director of the Board, Frontier Management Inc. / Independent Outside Director of the Board, The Gunma Bank, Ltd.

(Reasons for selecting the candidate for an Independent Outside Director of the Board and outline of expected roles)

Mr. Kazuhito Osugi has given valuable advice and opinions across the whole range of the Company's management, making the most of the deep insight in the field of finance he has cultivated in the Bank of Japan over the years and broad experience fostered by participating in corporate management as an Independent Outside Director of the Board for the Company and other companies. Mr. Kazuhito Osugi has duly performed his duties, such as the supervision of the execution of operations. We ask for his election so that he may continuously serve as an Independent Outside Director of the Board since we expect that he will continue to give his valuable counsel and strive to enhance management supervisory functions from an independent point of view across the whole range of the Company's management.

Notes:

- No special interests exist between Mr. Kazuhito Osugi and the Company.
- Mr. Kazuhito Osugi is a candidate for Independent Outside Director of the Board as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
- The Company has concluded a contract for limitation of liability with Mr. Kazuhito Osugi, and if we obtain approval for his reelection, we will continue the contract.  
The aforementioned contract limits liability for damages to the Company under Article 423, Paragraph 1 of the Companies Act to the minimum liability limit stipulated in Article 425, Paragraph 1 of the Companies Act, when the Director of the Board's duty is performed in good faith and with no gross negligence.
- The Company has transactional relations, including logistics services, with NIPPON EXPRESS CO., LTD., a company for which Mr. Kazuhito Osugi served as an Advisor until May 2021. The amount, however, meets the "Standards for Independence of Independent Officers" of the Company, with the amount of transactions in the most recent fiscal year being less than 1% of consolidated gross sales of the Nissha Group and the NIPPON EXPRESS Group, and would not affect the independence of Mr. Kazuhito Osugi as an Independent Outside Director of the Board.
- The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the reelection of Mr. Kazuhito Osugi, he will continue to be insured under the insurance contract.  
Please refer to "4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract" of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.
- The Tokyo Stock Exchange has been notified of Mr. Kazuhito Osugi as an Independent Officer of the Company.

Candidate number	Name (Date of birth)	Career summary, positions and responsibilities	Number of shares held	
7	Kazumichi Matsuki (August 17, 1951) Reappointment Candidate for Independent Outside Director of the Board Independent Officer  (Period served as a Director of the Board) 5 years as of the close of the meeting  (Attendance at meetings of the Board of Directors in FY2023.12) 18 out of 18 (100%)	April 1976	Entered Mitsubishi Corporation	0 shares
		June 1979	Harvard Law School, LL.M. (Master of Laws)	
		January 2003	General Manager of Legal Dept., Mitsubishi Corporation	
		April 2007	Senior Vice President	
		May 2007	Chairman, The Association of Corporate Legal Departments	
		April 2009	Senior Vice President, Senior Assistant to Corporate Functional Officer and General Manager of Compliance Dept., Mitsubishi Corporation	
		October 2009	Temporary member of International Jurisdiction Legislation Subcommittee, Legislative Council of the Ministry of Justice	
		April 2010	Visiting Professor, The University of Tokyo Graduate Schools for Law and Politics	
		April 2011	Corporate Officer, Hokuetsu Kishu Paper Co., Ltd. (currently, Hokuetsu Corporation)	
		June 2011	Director	
		June 2011	Member of Special Committee on Criminal Justice System of New Age, Legislative Council of the Ministry of Justice	
		June 2013	Managing Director, Hokuetsu Kishu Paper Co., Ltd.	
		June 2016	Independent Outside Director of the Board (Audit and Supervisory Committee Member), Dream Incubator Inc.	
		June 2016	Independent Audit and Supervisory Board Member, SANDEN HOLDINGS CORPORATION (currently, SANDEN CORPORATION)	
		June 2017	Director, Japan Criminal Policy Society (present post)	
June 2018	Independent Outside Director of the Board, ANEST IWATA Corporation			
March 2019	Independent Outside Director of the Board, the Company (present post)			
June 2020	Independent Outside Director of the Board (Audit and Supervisory Committee Member), ANEST IWATA Corporation (present post)			
June 2023	Independent Outside Director of the Board, TOYO CONSTRUCTION CO., LTD. (present post)			

(Significant positions concurrently held)

Independent Outside Director of the Board (Audit and Supervisory Committee Member), ANEST IWATA Corporation / Independent Outside Director of the Board, TOYO CONSTRUCTION CO., LTD. / Director, Japan Criminal Policy Society

(Reasons for selecting the candidate for an Independent Outside Director of the Board and outline of expected roles)

Mr. Kazumichi Matsuki has given valuable advice and opinions across the whole range of the Company's management, making the most of his hands-on experience in proactive and broad business development and deep insight concerning its governance as he assumed important posts regarding legal affairs and compliance at a company globally developing business while participating in corporate management at manufacturers. Mr. Kazumichi Matsuki has duly performed his duties, such as the supervision of the execution of operations. We ask for his election so that he may continuously serve as an Independent Outside Director of the Board since we expect that he will continue to give his valuable counsel and strive to enhance management supervisory functions from an independent point of view across the whole range of the Company's management.

Notes:

- No special interests exist between Mr. Kazumichi Matsuki and the Company.
- Mr. Kazumichi Matsuki is a candidate for Independent Outside Director of the Board as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
- The Company has concluded a contract for limitation of liability with Mr. Kazumichi Matsuki, and if we obtain approval for his reelection, we will continue the contract.  
The aforementioned contract limits liability for damages to the Company under Article 423, Paragraph 1 of the Companies Act to the minimum liability limit stipulated in Article 425, Paragraph 1 of the Companies Act, when the Director of the Board's duty is performed in good faith and with no gross negligence.
- The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the reelection of Mr. Kazumichi Matsuki, he will continue to be insured under the insurance contract.  
Please refer to "4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract" of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.
- The Tokyo Stock Exchange has been notified of Mr. Kazumichi Matsuki as an Independent Officer of the Company.

Candidate number	Name (Date of birth)	Career summary, positions and responsibilities		Number of shares held
8	Juichi Takeuchi (October 14, 1959) Reappointment Candidate for Independent Outside Director of the Board Independent Officer  (Period served as a Director of the Board) 2 years as of the close of the meeting  (Attendance at meetings of the Board of Directors in FY2023.12) 18 out of 18 (100%)	April 1983	Entered Terumo Corporation	0 shares
		July 2006	VP & COO, Terumo Medical Corporation	
		April 2007	President & CEO	
		November 2010	President (Europe and the United States), D&D Group, General Hospital Company, Terumo Corporation, and President & CEO, Terumo Medical Corporation	
		June 2011	Executive Officer, Terumo Corporation	
		October 2014	Executive Officer, President, Terumo Pharmaceutical Solutions, and General Manager, Overseas Promotion Office, General Hospital Company	
		April 2015	Executive Officer, President and CEO, Terumo Americas Holding, Inc., and Regional Representative, Latin America	
		October 2016	Executive Officer, President and CEO, Terumo Americas Holding, Inc., Regional Representative, Latin America, and President, Terumo Latin America Corporation	
		April 2018	Senior Executive Officer, Terumo Corporation	
		April 2020	Senior Executive Advisor	
		March 2022	Independent Outside Director of the Board, the Company (present post)	

(Reasons for selecting the candidate for an Independent Outside Director of the Board and outline of expected roles)

Mr. Juichi Takeuchi has given valuable advice and opinions across the whole range of the Company's management, making the most of his broad hands-on experience and extensive knowledge in the medical market, a priority market of the Company, as he has been engaged in management strategies, alliances, sales and marketing in a medical devices company, where he led its global strategies and assumed responsibility for its overseas subsidiaries over the years. Mr. Juichi Takeuchi has duly performed his duties, such as the supervision of the execution of operations. We ask for his election so that he may continuously serve as an Independent Outside Director of the Board since we expect that he will continue to give his valuable counsel and strive to enhance management supervisory functions from an independent point of view across the whole range of the Company's management.

Notes:

- No special interests exist between Mr. Juichi Takeuchi and the Company.
- Mr. Juichi Takeuchi is a candidate for Independent Outside Director of the Board as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
- The Company has concluded a contract for limitation of liability with Mr. Juichi Takeuchi, and if we obtain approval for his reelection, we will continue the contract.  
The aforementioned contract limits liability for damages to the Company under Article 423, Paragraph 1 of the Companies Act to the minimum liability limit stipulated in Article 425, Paragraph 1 of the Companies Act, when the Director of the Board's duty is performed in good faith and with no gross negligence.
- The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the reelection of Mr. Juichi Takeuchi, he will continue to be insured under the insurance contract.  
Please refer to "4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract" of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.
- The Tokyo Stock Exchange has been notified of Mr. Juichi Takeuchi as an Independent Officer of the Company.

Candidate number	Name (Date of birth)	Career summary, positions and responsibilities		Number of shares held
9	Yukiko Hashitera (November 19, 1966) New appointment Candidate for Independent Outside Director of the Board Independent Officer	April 1989	Entered UENO FINE CHEMICALS INDUSTRY, LTD.	0 shares
		April 2003	General Manager of Quality Assurance Office, R-TECH UENO, LTD.	
		August 2003	Director, General Manager of Business Management Department	
		June 2004	Representative and Executive Director, General Manager of Business Management Department	
		April 2006	Representative Director and President	
		March 2012	Completed MPH (Master of Public Health) program, Kyoto University School of Public Health	
		March 2013	Completed MBA, Graduate School of Management, Kyoto University	
		March 2018	CEO, Phoenixi Co., Ltd. (present post)	
		January 2023	Management Director, Cyn-K Bio, Inc. (present post)	

(Significant positions concurrently held)

CEO, Phoenixi Co., Ltd. / Management Director, Cyn-K Bio, Inc.

(Reasons for selecting the candidate for an Independent Outside Director of the Board and outline of expected roles)

Ms. Yukiko Hashitera has experience in leading an IPO and corporate management as Representative Director and President of a bio venture company after engaging in research and development in the pharmaceutical industry related to the medical market, a priority market of the Company. Ms. Yukiko Hashitera also has broad hands-on experience and extensive knowledge in corporate management, innovations, and human resources development gained by co-founding and serving as CEO of an incubator to create new businesses. We ask for her election so that she may newly serve as an Independent Outside Director of the Board since we expect that she will give her valuable counsel and strive to enhance management supervisory functions from an independent point of view across the whole range of the Company's management.

Notes:

1. No special interests exist between Ms. Yukiko Hashitera and the Company.
2. Ms. Yukiko Hashitera is a candidate for Independent Outside Director of the Board as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
3. The Company will conclude a contract for limitation of liability with Ms. Yukiko Hashitera if we obtain approval for her election. The aforementioned contract limits liability for damages to the Company under Article 423, Paragraph 1 of the Companies Act to the minimum liability limit stipulated in Article 425, Paragraph 1 of the Companies Act, when the Director of the Board's duty is performed in good faith and with no gross negligence.
4. The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the election of Ms. Yukiko Hashitera, she will be insured under the insurance contract. Please refer to "4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract" of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.
5. The Tokyo Stock Exchange will be notified of Ms. Yukiko Hashitera as an Independent Officer of the Company if we obtain approval for her election.

## Proposal 2: Election of Two (2) Audit and Supervisory Board Members

The term of office of Audit and Supervisory Board Members, Messrs. Tetsuya Taniguchi and Shigeaki Momo-o, shall expire at the close of this Ordinary General Meeting of Shareholders.

Therefore, the Company proposes the election of two (2) Audit and Supervisory Board Members, including one (1) Independent Audit and Supervisory Board Member.

The approval of the Audit and Supervisory Board has been obtained in regard to this proposal.

In addition, candidates for the position of Audit and Supervisory Board Members were determined based on a report of the Nomination and Compensation Committee chaired by an Independent Outside Director of the Board in accordance with the Company's standards for selecting candidates for the position of Audit and Supervisory Board Members. The candidate for the position of Independent Audit and Supervisory Board Member satisfies the Company's "Standards for Independence of Independent Officers."

The candidates for the position of Audit and Supervisory Board Members are as follows:

Candidate number	Name (Date of birth)	Career summary and positions		Number of shares held
1	Tetsuya Taniguchi (December 14, 1958) Reappointment  (Period served as an Audit and Supervisory Board Member) 4 years as of the close of the meeting  (Attendance at meetings of the Board of Directors in FY2023.12) 18 out of 18 (100%)  (Attendance at meetings of the Audit and Supervisory Board in FY2023.12) 13 out of 13 (100%)	April 1982 April 2002 April 2007 April 2009 April 2011 April 2014 January 2018 March 2020	Entered the Company Director of General Affairs Director of Corporate Communications, Corporate Strategy and Senior Director of Investor Relations General Manager of Corporate Communications and Senior Director of Investor Relations Senior Director of Corporate Communications and Senior Director of Investor Relations Senior Director of Corporate Communications and Director of Corporate Social Responsibility Senior Director of Facility Planning Office, Headquarters Full-time Audit and Supervisory Board Member (present post)	2,665 shares

(Reasons for selecting the candidate for an Audit and Supervisory Board Member)

Mr. Tetsuya Taniguchi engaged in operations of corporate communications, investor relations and corporate social responsibility, after having been in charge of operations in the general affairs, and strived for transparency and clarity in disclosure for shareholders and investors. Also, he has extensive knowledge of the Nissha Group's business as a whole. Since he assumed the position in March 2020, Mr. Tetsuya Taniguchi has duly performed supervisory functions as a Full-time Audit and Supervisory Board Member of the Company, making the most of the broad experience and insight he has gained. We ask for his election so that he may continuously serve as an Audit and Supervisory Board Member since we judge that he can appropriately execute his duties as an Audit and Supervisory Board Member.

Notes:

1. No special interests exist between Mr. Tetsuya Taniguchi and the Company.
2. Shares held under the name of the shareholding association are included in the number of shares held.
3. The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the reelection of Mr. Tetsuya Taniguchi, he will continue to be insured under the insurance contract.  
Please refer to "4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract" of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.

Candidate number	Name (Date of birth)	Career summary and positions	Number of shares held
2	Yusaku Kurahashi (October 29, 1980) New appointment Candidate for Independent Audit and Supervisory Board Member Independent Officer	<p>December 2007 Registered as an attorney (The Daini Tokyo Bar Association)</p> <p>December 2007 Entered Nakamura, Tsunoda &amp; Matsumoto</p> <p>October 2013 Completed Masters in Law and Finance, University of Oxford</p> <p>June 2019 Independent Audit and Supervisory Board Member, KANEMATSU CORPORATION (present post)</p> <p>June 2020 Independent Outside Director of the Board (Audit and Supervisory Committee Member), UNITED ARROWS LTD. (present post)</p> <p>April 2023 Representative Partner, Kurahashi Law Office (present post)</p> <p>August 2023 Doctor of Philosophy Law, University College London</p>	0 shares

(Significant positions concurrently held)

Representative Partner, Kurahashi Law Office / Independent Audit and Supervisory Board Member, KANEMATSU CORPORATION / Independent Outside Director of the Board (Audit and Supervisory Committee Member), UNITED ARROWS LTD.

(Reasons for selecting the candidate for an Independent Audit and Supervisory Board Member)

Mr. Yusaku Kurahashi has extensive insight in corporate governance, risk management, and corporate legal affairs cultivated through his hands-on experience as a lawyer, as well as a global perspective gained through his experience abroad. Mr. Yusaku Kurahashi has also participated in corporate management as an Independent Outside Director of the Board (Audit and Supervisory Committee Member) and an Independent Audit and Supervisory Board Member of other companies. In light of such broad experience and deep insight, we ask for his election so that he may newly serve as an Independent Audit and Supervisory Board Member since we judge that he can appropriately execute his duties as an Independent Audit and Supervisory Board Member from an independent point of view.

Notes:

1. No special interests exist between Mr. Yusaku Kurahashi and the Company.
2. Mr. Yusaku Kurahashi is a candidate for Independent Audit and Supervisory Board Member as stipulated in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
3. The Company will conclude a contract for limitation of liability with Mr. Yusaku Kurahashi if we obtain approval for his election. The aforementioned contract limits liability for damages to the Company under Article 423, Paragraph 1 of the Companies Act to the minimum liability limit stipulated in Article 425, Paragraph 1 of the Companies Act, when the Audit and Supervisory Board Member's duty is performed in good faith and with no gross negligence.
4. The Company received necessary legal advice from, and paid remuneration to Kurahashi Law Office, a law office to which he belongs, and to Nakamura, Tsunoda & Matsumoto, a law office to which he used to belong until March 2023. The amounts, however, meet the "Standards for Independence of Independent Officers" of the Company. With the amounts of transactions in the most recent fiscal year being less than 1% of consolidated gross sales of the Nissha Group and the law offices, this would not affect the independence of Mr. Yusaku Kurahashi as an Independent Audit and Supervisory Board Member.
5. The Company has concluded a directors and officers liability insurance contract with an insurance company. If we obtain approval for the election of Mr. Yusaku Kurahashi, he will be insured under the insurance contract. Please refer to "4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (4) Outline of the contents of the directors and officers liability insurance contract" of the Business Report for an outline of the insurance contract. If the renewal period of the insurance contract arrives, the contract will be renewed with the same content.
6. The Tokyo Stock Exchange will be notified of Mr. Yusaku Kurahashi as an Independent Officer of the Company if we obtain approval for his election.

(Reference) [Standards for Independence of Independent Officers]

Nissha Co., Ltd. (hereinafter, the “Company”) will determine that its Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members (hereinafter, collectively, “Independent Officers”) or candidates for Independent Officers are fully independent from the Company when they do not correspond to any of the criteria prescribed hereunder.

1. Persons who are or were executive persons (\*) of the Company and its affiliated companies (hereinafter, collectively, the “Group”). In addition, with Independent Audit and Supervisory Board Members, persons who were Directors of the Board that did not conduct Group business.  
(\* ) An executive person means the executive person prescribed in Article 2, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act, and includes not only executive Directors of the Board but also employees, and does not include Audit and Supervisory Board Members.
2. Persons who are counterparties who have transactions principally with the Group, or are their executive persons. In addition, principal counterparties (\*) of the Group, or their executive persons.  
(\* ) A principal counterparty means a company or person whose payments or receipts for transactions with the Group in the current or any of the past three fiscal years represent 2% or more of the annual consolidated gross sales of the Group or the counterparty.
3. Major shareholders (\*) of the Group or their executive persons. In addition, executive persons of companies in which the Group is a major shareholder.  
(\* ) A major shareholder means a shareholder that holds votes representing 10% or more of total voting rights.
4. Attorneys, certified public accountants, consultants or the like who receive large amounts of cash or other assets (\*) other than officer compensation from the Group (if the entity receiving the assets is a corporation, partnership or other group, then persons belonging to that group).  
(\* ) A large amount of cash or other assets means the earning of cash or other property benefits in excess of JPY 10 million per year as an average of the past three fiscal years. In the case of a group, it means the payment of 2% or more of annual consolidated gross sales in each of the preceding three fiscal years inclusive of the most recent fiscal year.
5. Persons receiving large donations (\*) from the Group (if the entity receiving the property is a corporation, partnership or other group, the executive persons of that group).  
(\* ) A large donation means an annual donation of more than JPY 10 million in each of the preceding three fiscal years inclusive of the most recent fiscal year.
6. Executive persons of another company having a mutual appointment of Independent Officer (\*) relationships with the Group.  
(\* ) A mutual appointment of Independent Officers means the Company’s welcoming of Independent Officers from another company that have received Independent Officers, who are/were executive persons of the Group within the past 10 years, or from its parent or subsidiary companies.
7. Persons belonging to the auditing firm serving as the Group’s Accounting Auditor.
8. Persons who have corresponded to items 2 through 7 above within the past three years.
9. Spouses or relatives within two degrees of kinship of persons (limited to key personnel (\*)) corresponding to any of items 1 through 8 above.  
(\* ) Key personnel means (1) Directors of the Board, (excluding Independent Outside Directors of the Board), Executive Officers, and employees holding a position of Senior Director or higher, (2) certified public accountants belonging to an auditing firm who are partners, and attorneys belonging to a law office, and (3) persons affiliated with incorporated foundations, incorporated associations, incorporated educational institutions and other corporations who are objectively and reasonably determined to be councilors, directors, auditors or other officers, or persons having equal importance.
10. Persons in circumstances which are otherwise objectively and reasonably found unsuitable for the duties of an Independent Officer.



## Attachments

# Business Report

(from January 1, 2023 through December 31, 2023)

## 1. Current status of the Nissha Group (1) Progress and results of operations

During the fiscal year ended December 31, 2023, while the global economy picked up, manufacturing industries faced a severe business environment with weak product demand mainly due to the high inflation and the settling down of special demand caused by COVID-19, except for some industries such as mobility components. Although the U.S. economy recovered with a backdrop of firm consumer spending and employment situation, the European economy stagnated, weighed on by, among other factors, the high inflation, monetary tightening, and sluggish domestic and foreign demand. The recovery of China's economy slowed down, affected by a decrease in domestic and foreign demand, as well as trade friction. Meanwhile, the Japanese economy recovered moderately as production activities in the electronic components sector weakened due to sluggish foreign demand.

Under these conditions, as for the Company's operating results for the fiscal year ended December 31, 2023, product demand for mobility components remained firm in the Industrial Materials segment with easing of supply restraint, and demand increased for contract design/development and manufacturing services in the Medical Technologies segment in an active market environment. On the other hand, product demand for tablets significantly slowed down in the Devices segment due to the saturation of special demand caused by COVID-19, and product demand for sustainable materials (metallized paper) remained sluggish in the Industrial Materials segment due to prolonged inventory adjustment in the supply chain. In addition to these demand trends, profits were decreased by an impairment loss on goodwill mainly due to rises in discount rates at European subsidiaries that produce and sell sustainable materials.

As a result, regarding the consolidated financial results for the fiscal year ended December 31, 2023, net sales were ¥167,726 million (a decrease of 13.5% as compared to the previous year). Operating loss was ¥3,817 million (operating profit of ¥9,520 million in the previous year). Loss attributable to owners of parent was ¥2,988 million (profit attributable to owners of parent of ¥10,140 million in the previous year).

### Industrial Materials

In the Industrial Materials segment, we mainly offer proprietary technologies that enable to create added value on the surfaces of various materials. IMD, IML, and IME, which facilitate simultaneous in-mold decoration, design and function adding of plastic products, are extensively used in mobility components and home appliances in global markets. Also, the metallized paper, which unites the properties of metallic luster and printing friendliness, has the largest market share in the industry as sustainable materials for beverages and foods on a global basis.

During the fiscal year ended December 31, 2023, although demand for mobility components in the field of decorations remained firm backed by the easing of constraints on supply, product demand for metallized paper was sluggish due to the impact of prolonged inventory adjustment in the supply chain, which resulted in a year-on-year decrease in net sales. Operating profit also decreased year-on-year, attributing to trends in demand as well as to the recognition of an impairment loss on goodwill mainly due to rises in discount rates at European subsidiaries that produce and sell sustainable materials.

As a result, segment sales for the fiscal year ended December 31, 2023 were ¥68,762 million (a decrease of 6.5% as compared to the previous year). Segment profit (operating profit) was ¥93 million (a decrease of 97.2% as compared to the previous year).

#### Principal products

In-mold decoration (IMD), in-mold labeling (IML), in-mold electronics (IME),\* transfer foil, metallized paper and sustainable molded parts

\*IMD, IML and IME are registered trademarks of Nissha Co., Ltd.

## Devices

In the Devices segment, we produce components and module products that pursue precision and functionality. Our main products, film-based Touch Sensors are widely adopted mainly in tablets, handheld terminals (logistics related), mobility components, and gaming devices in global markets. In addition, we offer gas sensors that can detect gas conditions, along with other products.

During the fiscal year ended December 31, 2023, product demand for tablets, handheld terminals, etc. declined significantly due to the saturation of special demand caused by COVID-19, which resulted in year-on-year decreases in net sales and operating profit.

As a result, segment sales for the fiscal year ended December 31, 2023 were ¥54,862 million (a decrease of 31.4% as compared to the previous year). Segment loss (operating loss) was ¥1,580 million (segment profit (operating profit) of ¥8,286 million in the previous year).

### Principal products

Film-based Touch Sensor, force sensor and gas sensor

## Medical Technologies

The Medical Technologies segment is a business segment that offers high-quality and value-added products in medical devices and other related markets to contribute to healthy and affluent life. The segment currently provides contract design/development manufacturing services for major medical device manufacturers, especially for those in North America and Europe, with products such as surgical instruments for minimal invasive medical treatments and medical wearable sensors used for a wide range of therapeutic areas. In addition to these, the segment manufactures and sells its own brand products to medical institutions.

During the fiscal year ended December 31, 2023, thanks to firm product demand of our main field of contract design/development manufacturing services in the active market environment, net sales grew compared to the previous year. Operating profit increased year-on-year due to trends in demand as well as to improvements in productivity and efficiency to cope with cost increases caused by inflation and other factors.

As a result, segment sales for the fiscal year ended December 31, 2023 were ¥36,011 million (an increase of 10.9% as compared to the previous year). Segment profit (operating profit) was ¥1,493 million (an increase of 204.6% as compared to the previous year).

### Principal products

Disposable electrocardiogram (ECG) electrodes, minimally invasive surgical devices\* and medical wearable sensors\*

\*Products are not produced or sold in Japan (as of December 31, 2023).

**(2) Status of fund procurement, etc.**

1) Status of fund procurement

The Nissha Group did not procure funds through the issuance of bonds and new shares, etc.

2) Status of capital investment

The Group's Mission is to use the diverse capabilities of its people and core technologies as an engine for growth to create highly competitive, feature-rich products and services that realize customer value and contribute to better lives for all.

Guided by this Mission, we established our Sustainability Vision as our long-term vision for 2030, and aim to create social and economic value by contributing to solving global social issues related to medical, mobility, and environment, with the integration and orchestration of the diverse talents of our people and our technologies.

To this end, during the current fiscal year, we renewed and expanded production facilities at domestic, North American, and European bases in the Industrial Materials business segment. We also completed the asset acquisition of a medical chart paper business and expanded production facilities at a North American base in the Medical Technologies business segment.

As a result, capital investment amounted to ¥3,217 million in the Industrial Materials business segment, ¥2,132 million in the Devices business segment, ¥1,487 million in the Medical Technologies business segment, and ¥722 million in other and common corporate divisions (R&D and Administration divisions). The overall capital investment of the Nissha Group stood at ¥7,559 million (an increase of 2.7% as compared to the previous year).

The details of our major capital investment are as follows:

Segments	Breakdown of major capital investment
Industrial Materials	Renewal and expansion of production facilities at domestic, North American, and European bases
Devices	Renewal of domestic production facilities
Medical Technologies	Asset acquisition of a medical chart paper business and expansion of production facilities at a North American base
Other and common corporate divisions (R&D and Administration divisions)	Introduction of research and development equipment, etc.

### (3) Status of consolidated assets and profit and loss

(Millions of Yen)

Items	FY2020.12 [the 102 <sup>nd</sup> business term]	FY2021.12 [the 103 <sup>rd</sup> business term]	FY2022.12 [the 104 <sup>th</sup> business term]	FY2023.12 (current term) [the 105 <sup>th</sup> business term]
Net sales	180,006	189,285	193,963	167,726
Operating profit (loss)	7,278	17,363	9,520	(3,817)
Profit (loss) before tax	7,039	19,499	12,373	(2,762)
Profit (loss) attributable to owners of parent	7,061	15,859	10,140	(2,988)
Basic earnings (loss) per share (Yen)	141.34	318.35	203.65	(61.13)
Total assets	199,554	209,274	230,212	217,853
Total equity	81,924	98,264	111,518	110,852

- Notes:
1. The Company finalized the provisional accounting treatment pertaining to business combinations and changed accounting policies pertaining to configuration or customization costs in cloud computing agreements in FY2021.12 (the 103<sup>rd</sup> business term), and reflected the details of the finalization of the provisional accounting treatment and figures after retrospective adjustments due to the changes in accounting policies on figures related to FY2020.12 (the 102<sup>nd</sup> business term).
  2. Effective from FY2020.12 (the 102<sup>nd</sup> business term), the Group began preparing consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).
  3. Basic earnings (loss) per share are calculated based on the average number of shares outstanding during the fiscal year (after deducting the average number of treasury shares).
  4. The Company has introduced the Board Benefit Trust (BBT) from FY2017.3 (the 98<sup>th</sup> business term), and the Stock Benefit Trust (J-ESOP) and Stock Benefit Trust (Employee Shareholding Association Purchase-type) from FY2019.12 (the 101<sup>st</sup> business term). When calculating basic earnings (loss) per share, the Company shares that remain in the trust recorded as treasury shares under shareholders' equity are included in treasury shares to be deducted in the calculation of the average number of shares outstanding during the fiscal year.
  5. (Reference) The audits for the fiscal years prior to FY2022.12 (the 104<sup>th</sup> business term) have been completed in each of the past fiscal years; therefore, they are not subject to the audit in FY2023.12 (the 105<sup>th</sup> business term).

#### **(4) Issues to be addressed**

The Group's Mission is to use the diverse capabilities of its people and core technologies as an engine for growth to create highly competitive, feature-rich products and services that realize customer value and contribute to better lives for all.

Guided by this Mission, we established our Sustainability Vision as our long-term vision for 2030, and reflecting backward, formulated a strategy as set forth in our 8th Medium-term Business Plan to achieve our medium-term vision for 2026.

In the Sustainability Vision, we are aiming to create social and economic value by providing products and services that contribute to solving social issues in our priority markets of medical, mobility, and sustainable materials, and to achieve a 30% reduction in total CO<sub>2</sub> emissions in 2030 (versus 2020) in order to become carbon-neutral by 2050.

In addition, to realize our Sustainability Vision, we have identified "Creating Business Opportunities," "Risk Reduction," "Strengthening Management Foundation," and "Corporate Governance" as materialities. Backcasting from the Sustainability Vision as the starting point, specific strategy items and KPIs are set and worked on.

#### **Materialities of Nissha Group**

##### **• Creating Business Opportunities**

- Solve medical issues
- Contribute to the safety and comfort of transportation and logistics, and the reduction of environmental impact
- Promotion of circular economy

##### **• Risk Reduction**

- Respect for human rights
- Responding to climate change
- Providing responsible medical products and services
- Sustainable procurement
- Data security in response to the proliferation of generative AI

##### **• Strengthening Management Foundation**

- Human capital enhancement
- Efficiency and productivity improvement

##### **• Corporate Governance**

- Improvement of the effectiveness of the Board of Directors
- Advancement of global governance

#### **The 8th Medium-term Business Plan and forecast for the fiscal year ending December 31, 2024**

The Group has been implementing the three-year 8th Medium-term Business Plan since January 2024 to realize the Sustainability Vision, which is its long-term vision for 2030. The 8th Medium-term Business Plan aims to achieve stable growth and capital efficiency improvement. Accordingly, we will improve and stabilize profitability through strengthening the business portfolio we have built up to date.

In the markets of medical devices, mobility, and sustainable materials, our goal is to expand product and service lineups that will solve social issues by expanding our business through both organic growth and M&As. In the IT devices market, we will pursue the enhancement of productivity and efficiency, including the optimization of our production structure.

To achieve sustainable growth in the future, we will also accelerate the development of new businesses and product lineups through not only in-house development but also business alliances and M&As.

Concerning the global economic environment in the fiscal year ending December 31, 2024, we expect that the economy will trend toward a recovery backed by the easing of inflation and monetary tightening and a cyclical recovery in demand, among other factors. On the other hand, however, the economic outlook is uncertain due primarily to sluggish economic trends in China and Europe, foreign exchange fluctuations, and geopolitical risks.

Under these conditions, as for the operating results for the fiscal year ending December 31, 2024, demand for tablets in the Devices segment and for metallized paper in the Industrial Materials segment, which remained

weak during the fiscal year ended December 31, 2023, is expected to pick up. In the Industrial Materials segment, we expect that demand for decorative products will grow steadily, especially those for mobility components. Additionally, in the Medical Technologies segment, we project a steady rise in demand for our main field of contract design/development manufacturing services and contributions to our financial results from companies we decided to acquire in the fiscal year ended December 31, 2023.

**(5) Principal bases, etc. of the Nissha Group (as of December 31, 2023)**

## 1) Principal offices and factories

## (i) The Company

Headquarters	Kyoto
Division Headquarters	Tokyo (Shinagawa-ku, Tokyo)

## (ii) Subsidiaries

Nissha Industries, Inc.	Headquarters/Factory (Koka, Shiga Pref.)
	Kameoka Factory (Kameoka, Kyoto Pref.)
Nissha Precision and Technologies, Inc.	Headquarters/Factory (Himeji, Hyogo Pref.)
	Kaga Factory (Kaga, Ishikawa Pref.)
	Tsu Factory (Tsu, Mie Pref.)
	Kyoto Factory (Kyoto)
Nissha FIS, Inc.	Headquarters/Factory (Osaka)
Nissha Printing Communications, Inc.	Headquarters (Kyoto)
	Osaka Sales Office (Osaka)
	Tokyo Sales Office (Shinagawa-ku, Tokyo)
	Kameoka Factory (Kameoka, Kyoto Pref.)
Zonnebodo Pharmaceutical Co., Ltd.	Headquarters/Factory (Hachioji, Tokyo)
Nissha Business Service, Inc.	Headquarters (Kyoto)
Nissha USA, Inc.	Head Office (U.S.A.)
Eimo Technologies, Inc.	Head Office/Factory (U.S.A.)
Nissha PMX Technologies, S.A. de C.V.	Head Office/Factory (Mexico)
Nissha Medical International, Inc.	Head Office (U.S.A.)
Graphic Controls Holdings, Inc.	Head Office (U.S.A.)
Graphic Controls Acquisition Corp.	Head Office (U.S.A.)
Nissha Medical Technologies Ltd.	Head Office/Factory (U.K.)
Nissha Europe GmbH	Head Office (Germany)
Schuster Kunststofftechnik GmbH	Head Office/Factory (Germany)
Back Stickers GmbH	Head Office/Factory (Germany)
Nissha Metallizing Solutions N.V.	Head Office/Factory (Belgium)
Nissha Metallizing Solutions Produtos Metalizados Ltda.	Head Office/Factory (Brazil)
Nissha Korea Inc.	Head Office (Korea)
Nissha Industrial and Trading (Shenzhen) Co., Ltd.	Head Office (China)
Nissha (Kunshan) Precision IMD Mold Co., Ltd.	Head Office/Factory (China)
Guangzhou Nissha High Precision Plastics Co., Ltd.	Head Office/Factory (China)
Taiwan Nissha Co., Ltd.	Head Office (Taiwan)
Nissha Industrial and Trading Malaysia Sdn. Bhd.	Head Office (Malaysia)
Nissha Precision Technologies Malaysia Sdn. Bhd.	Head Office/Factory (Malaysia)
Nissha Vietnam Co., Ltd.	Head Office (Vietnam)

- Notes: 1. Nitec Industries, Inc. and Nitec Precision and Technologies, Inc. changed their trade names to Nissha Industries, Inc. and Nissha Precision and Technologies, Inc., respectively, on December 31, 2023.
2. Schuster Kunststofftechnik GmbH absorbed and merged with Back Stickers GmbH and changed its trade name to Nissha Advanced Technologies Europe GmbH on January 1, 2024.

2) Status of employees

(i) Status of employees of the Nissha Group

Segments	Number of employees	Increase (Decrease) from the previous fiscal year-end
Industrial Materials	2,461	-97
Devices	912	-19
Medical Technologies	1,263	-4
Other and common corporate divisions (R&D and Administration divisions)	585	+16
Total	5,221	-104

Note: "Number of employees" indicates the number of employees actually working.

(ii) Status of employees of the Company

Number of employees		Increase (Decrease) from the previous fiscal year-end	Average age	Average length of service
Male	514	+1	44.8 years	17.2 years
Female	206	+9	38.1 years	11.6 years
Total or average	720	+10	42.9 years	15.6 years

Note: "Number of employees" indicates the number of employees actually working.



**(6) Status of important parent company and subsidiaries (as of December 31, 2023)**

## 1) Status of the parent company

Not applicable.

## 2) Status of subsidiaries

Company name	Capital	Equity stake of the Company	Major businesses
Nissha Industries, Inc.	¥12 million	100%	Production of decorative films and molded parts
Nissha Precision and Technologies, Inc.	¥20 million	100%	Production of film-based Touch Sensors, etc.
Eimo Technologies, Inc.	USD 0	100%*	Production and sales of plastic injection molded parts
Graphic Controls Acquisition Corp.	USD 0	100%*	Production and sales of medical devices, consumable medical products, etc.
Nissha PMX Technologies, S.A. de C.V.	Mexico Peso 470 million	100%*	Production and sales of plastic molded parts
Nissha Metallizing Solutions N.V.	EUR 9,000 thousand	100%*	Production and sales of metallized papers

- Notes:
1. The figure ending with an \* includes the ratio of indirect equity participation.
  2. Important subsidiaries are selected according to the criteria of capital, net assets, net sales, etc.
  3. The “Capital” column of Eimo Technologies, Inc. is stated at the amount of common stock. The total paid-in capital of Eimo Technologies, Inc. (an amount consisting of common stock and additional paid-in capital) is USD 15,000 thousand.
  4. The “Capital” column of Graphic Controls Acquisition Corp. is stated at the amount of common stock. The total paid-in capital of Graphic Controls Acquisition Corp. (an amount consisting of common stock and additional paid-in capital) is USD 140,672 thousand.
  5. Nitec Industries, Inc. and Nitec Precision and Technologies, Inc. changed their trade names to Nissha Industries, Inc. and Nissha Precision and Technologies, Inc., respectively, on December 31, 2023.

**(7) Principal creditors and amount of borrowings (as of December 31, 2023)**

(Millions of Yen)

Creditors	Amount of borrowings
Mizuho Bank, Ltd.	7,500
Development Bank of Japan Inc.	5,000
The Bank of Kyoto, Ltd.	4,250
MUFG Bank, Ltd.	3,250

**2. Matters Regarding Shares of the Company (as of December 31, 2023)**

- (1) Total number of shares authorized 180,000,000 shares
- (2) Total number of common shares issued 50,855,638 shares  
(including 1,780,928 treasury shares)
- (3) Number of shareholders 9,049
- (4) Major shareholders (Top 10)

Name	No. of Shares Held (thousand shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,093	10.37
Custody Bank of Japan, Ltd. (Trust Account)	4,079	8.31
Suzuki Kosan Co., Ltd.	2,563	5.22
Meiji Yasuda Life Insurance Company	2,107	4.29
Mizuho Bank, Ltd.	2,076	4.23
TAIYO FUND, L.P.	1,737	3.54
The Bank of Kyoto, Ltd.	1,442	2.93
TAIYO HANEI FUND, L.P.	1,387	2.82
STATE STREET BANK AND TRUST COMPANY 505227	1,171	2.38
Nissha Kyoeikai	1,127	2.29

- Notes: 1. The Company holds 1,780 thousand treasury shares, the number of which is excluded from the above list of major shareholders.
2. The shareholding ratio was computed after excluding treasury shares from the total number of common shares issued.
3. The Company introduced a performance-linked stock compensation plan, the Board Benefit Trust (BBT), as well as the Stock Benefit Trust (J-ESOP) and Stock Benefit Trust (Employee Shareholding Association Purchase-type), and Custody Bank of Japan, Ltd. (Trust E Account) (hereinafter, the "Trust E Account") holds 463 thousand shares of the Company's stock. The shares of the Company's stock held by the Trust E Account are not included in treasury shares.
4. The shares held by Mizuho Bank, Ltd., mentioned above, are trust assets of a retirement benefit trust contributed by the bank (the name in the register of shareholders is Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust Mizuho Bank Account Retrustee Custody Bank of Japan, Ltd.).
5. Nissha Kyoeikai is a shareholding association for business partners of the Company.

**(5) Shares granted to Directors of the Board of the Company as compensation for execution of duties during the current fiscal year**

Not applicable.

**(6) Other important matters regarding the shares of the Company**

1) Acquisition of treasury shares

- (i) Treasury shares acquired by a resolution at the meeting of the Board of Directors held on November 10, 2022

The Company resolved to acquire treasury shares at the meeting of the Board of Directors held on November 10, 2022 in accordance with the provisions of Article 156 of the Companies Act, as applied by replacing the terms and phrases pursuant to the provisions of Article 165, Paragraph 3 of the same act as follows:

Class of shares acquired	Common stock
Total number of shares acquired	Up to 1,100,000 shares
Total acquisition price of shares	Up to ¥2,500,000,000
Acquisition period	From November 11, 2022 to March 31, 2023
Acquisition method	Market purchase on the Tokyo Stock Exchange

Based on the above resolution of the Board of Directors, the Company acquired 1,100,000 shares at a total amount of ¥2,005,738,000 until March 13, 2023.

- (ii) Treasury shares acquired by a resolution at the meeting of the Board of Directors held on November 9, 2023

The Company resolved to acquire treasury shares at the meeting of the Board of Directors held on November 9, 2023 in accordance with the provisions of Article 156 of the Companies Act, as applied by replacing the terms and phrases pursuant to the provisions of Article 165, Paragraph 3 of the same act as follows:

Class of shares acquired	Common stock
Total number of shares acquired	Up to 700,000 shares
Total acquisition price of shares	Up to ¥1,000,000,000
Acquisition period	From November 10, 2023 to March 31, 2024
Acquisition method	Market purchase on the Tokyo Stock Exchange

Based on the above resolution of the Board of Directors, the Company acquired 653,800 shares at a total amount of ¥999,941,700 until February 1, 2024, and completed the acquisition of treasury shares based on the resolution.

2) Disposal of treasury shares

The Company disposed of treasury shares through a third-party allocation based on a resolution at the meeting of the Board of Directors held on February 14, 2023 as detailed below.

Class of shares disposed of	Common stock
Number of shares disposed of	152,100 shares
Total disposition price	¥285,948,000
Subscriber	Custody Bank of Japan, Ltd. (Trust E Account)
Date of disposition	March 14, 2023

**3. Matters Regarding Stock Acquisition Rights**

Not applicable.

**4. Matters Regarding Directors of the Board and Audit and Supervisory Board Members (as of December 31, 2023)**

**(1) Status of Directors of the Board and Audit and Supervisory Board Members of the Company**

Position	Name	Responsibilities	Significant positions concurrently held
Chairman of the Board, President and CEO	Junya Suzuki	Chief Executive Officer Chairman of Sustainability Committee Internal Control	Chairman of the Board, Nissha USA, Inc. Chairman of the Board, Nissha Europe GmbH Chairman of the Board, Nissha Metallizing Solutions N.V. President and CEO, Representative Director, Suzuki Kosan Co., Ltd. Chairman of the board of directors, Nissha Foundation
Director of the Board	Daisuke Inoue	Senior Executive Vice President General Manager of Devices Business Unit General Affairs and Legal Affairs Chairman of Risk Management and Compliance Committee Health and Productivity Management Director of Tokyo Division Headquarters	Representative Director and CEO, Nissha FIS, Inc.
Director of the Board	Wataru Watanabe	Executive Vice President Chief Strategy Officer Director of Corporate Strategy Planning Director of ESG Promotion Senior Director of New Business Development Office	
Director of the Board	Yutaka Nishimoto	Executive Vice President Chief Quality and Production Officer Pharmaceutical and Medical Device Affairs Senior Director of Devices Business Unit (Quality, Engineering, and Production)	Representative Director and CEO, Nissha Precision and Technologies, Inc. Chairman of the Board, Nissha Vietnam Co., Ltd.
Director of the Board	Hisashi Iso	Executive Vice President General Manager of Industrial Materials Business Unit	Representative Director and CEO, Nissha Korea Inc. Chairman of the Board and CEO, Taiwan Nissha Co., Ltd.
Director of the Board	Kazuhito Osugi		Independent Outside Director of the Board, Frontier Management Inc. Independent Outside Director of the Board, The Gunma Bank, Ltd.
Director of the Board	Asli M. Colpan		Professor, Graduate School of Economics, Kyoto University Professor, Graduate School of Management, Kyoto University Independent Audit and Supervisory Board Member, Sumitomo Rubber Industries, Ltd.

Position	Name	Responsibilities	Significant positions concurrently held
Director of the Board	Kazumichi Matsuki		Independent Outside Director of the Board (Audit and Supervisory Committee Member), ANEST IWATA Corporation Independent Outside Director of the Board, TOYO CONSTRUCTION CO., LTD. Director, Japan Criminal Policy Society
Director of the Board	Juichi Takeuchi		
Full-time Audit and Supervisory Board Member	Tetsuya Taniguchi		
Full-time Audit and Supervisory Board Member	Kenji Imai		
Audit and Supervisory Board Member	Shigeaki Momo-o		Partner, Momo-o, Matsuo & Namba
Audit and Supervisory Board Member	Yusuke Nakano		Senior Partner, SEIYU AUDIT CORPORATION Senior Partner, SEIYU TAX CORPORATION General Manager, NAKANO C.P.A. OFFICE Independent Outside Director of the Board (Audit and Supervisory Committee Member), SK-Electronics Co., Ltd. Independent Audit and Supervisory Board Member, Sanyo Chemical Industries, Ltd.

- Notes: 1. Mr. Kazuhito Osugi, Ms. Asli M. Colpan, Mr. Kazumichi Matsuki, and Mr. Juichi Takeuchi are all Independent Outside Directors of the Board as stipulated in Article 2, Item 15 of the Companies Act.
2. Both Mr. Shigeaki Momo-o and Mr. Yusuke Nakano are Independent Audit and Supervisory Board Members as stipulated in Article 2, Item 16 of the Companies Act.
3. Mr. Shigeaki Momo-o, Audit and Supervisory Board Member, has a qualification as attorney-at-law and possesses considerable knowledge with regard to overall legal affairs.
4. Mr. Yusuke Nakano, Audit and Supervisory Board Member, has a qualification as certified public accountant and possesses considerable knowledge with regard to finance and accounting.
5. The Company received necessary legal advice from, and paid compensation to, Momo-o, Matsuo & Namba, a law firm to which Mr. Shigeaki Momo-o, Audit and Supervisory Board Member, belongs. However, the amount meets the immateriality standards provided for in the “Standards for Independence of Independent Officers” of the Company.
6. No relationship to be described exists between the companies where significant positions are concurrently held by Independent Outside Directors of the Board or Independent Audit and Supervisory Board Members and the Company.
7. Changes in Directors of the Board and Audit and Supervisory Board Members during the current fiscal year are as follows:
- (1) Mr. Juichi Takeuchi, Director of the Board, resigned from office as Senior Executive Advisor of Terumo Corporation as of March 31, 2023.
- (2) Mr. Kazumichi Matsuki, Director of the Board, assumed office as Independent Outside Director of the Board of TOYO CONSTRUCTION CO., LTD. as of June 27, 2023.
- (3) Mr. Yusuke Nakano, Audit and Supervisory Board Member, assumed office as Senior Partner of SEIYU TAX CORPORATION as of November 1, 2023.
8. As a result of changes in the responsibilities of Directors of the Board as of January 1, 2024, the current responsibilities of Directors of the Board are as follows:

Position	Name	Responsibilities	Significant positions concurrently held
Chairman of the Board, President and CEO	Junya Suzuki	Chief Executive Officer Chairman of Sustainability Committee Internal Control	Chairman of the Board, Nissha USA, Inc. Chairman of the Board, Nissha Europe GmbH Chairman of the Board, Nissha Metallizing Solutions N.V. President and CEO, Representative Director, Suzuki Kosan Co., Ltd. Chairman of the board of directors, Nissha Foundation
Director of the Board	Daisuke Inoue	Senior Executive Vice President General Manager of Devices Business Unit General Affairs and Legal Affairs Chairman of Risk Management and Compliance Committee Director of Tokyo Division Headquarters	Representative Director and CEO, Nissha FIS, Inc.
Director of the Board	Wataru Watanabe	Senior Executive Vice President Chief Strategy Officer Senior Director of New Business Development Office Corporate Strategy Planning ESG Promotion	
Director of the Board	Yutaka Nishimoto	Executive Vice President Chief Quality and Production Officer Senior Director of Digital Transformation Promotion Office Corporate Logistics Senior Director of Devices Business Unit (Quality, Procurement, and Production)	Representative Director and CEO, Nissha Precision and Technologies, Inc. Chairman of the Board, Nissha Vietnam Co., Ltd.
Director of the Board	Hisashi Iso	Executive Vice President General Manager of Industrial Materials Business Unit Corporate Supply Chain	Representative Director and CEO, Nissha Korea Inc. Chairman of the Board and CEO, Taiwan Nissha Co., Ltd.
Director of the Board	Kazuhito Osugi		Independent Outside Director of the Board, Frontier Management Inc. Independent Outside Director of the Board, The Gunma Bank, Ltd.
Director of the Board	Asli M. Colpan		Professor, Graduate School of Economics, Kyoto University Professor, Graduate School of Management, Kyoto University Independent Audit and Supervisory Board Member, Sumitomo Rubber Industries, Ltd.
Director of the Board	Kazumichi Matsuki		Independent Outside Director of the Board (Audit and Supervisory Committee Member), ANEST IWATA Corporation Independent Outside Director of the Board, TOYO CONSTRUCTION CO., LTD. Director, Japan Criminal Policy Society
Director of the Board	Juichi Takeuchi		

9. The Company has introduced a Corporate Officer System to enhance corporate governance. The 18 Corporate Officers including four Corporate Officers who concurrently serve as Directors of the Board were appointed to Corporate Officers on January 1, 2024.

10. Mr. Kazuhito Osugi, Ms. Asli M. Colpan, Mr. Kazumichi Matsuki, and Mr. Juichi Takeuchi, Directors of the Board, and Mr. Shigeaki Momo-o and Mr. Yusuke Nakano, Audit and Supervisory Board Members, are registered as Independent Officers of the Company with the Tokyo Stock Exchange.

**(2) Outline of the details of contracts for limitation of liability**

The Company has concluded contracts for limitation of liability with all Independent Outside Directors of the Board and all Independent Audit and Supervisory Board Members to limit liability for damages to the Company under Article 423, Paragraph 1 of the Companies Act to the minimum liability limit stipulated in Article 425, Paragraph 1 of the Companies Act, when the Director of the Board's or Audit and Supervisory Board Member's duty is performed in good faith and with no gross negligence.

**(3) Outline of the details of indemnity agreements**

Not applicable.

**(4) Outline of the contents of the directors and officers liability insurance contract**

The Company has concluded a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance covers damages to be borne by the insureds due to claims for damages arising from business activities, litigation costs, and other damages. However, the Company has taken measures to ensure that the appropriateness of the execution of duties by Directors of the Board and other officers is not impaired by excluding compensation for criminal acts such as bribery and damages caused by Directors of the Board and other officers themselves who intentionally commit illegal acts.

The insureds of the insurance contract are Directors of the Board, Audit and Supervisory Board Members, and Corporate Officers, etc. of the Company. The insurance premiums are fully borne by the Company for all the insureds.

**(5) Compensation paid to Directors of the Board and Audit and Supervisory Board Members**

**1) Policy for determining the details of individual compensation for Directors of the Board (hereinafter, the "determination policy")**

**(i) Method of determining the determination policy**

The Company resolved the determination policy at the meeting of the Board of Directors held on February 19, 2021. The Company consulted the Nomination and Compensation Committee in advance regarding the details of the resolution made at the meeting of the Board of Directors and received its report.

**(ii) Outline of the details of the determination policy**

The Company's compensation plan for Directors of the Board was designed to lead to the sustainable growth of the Nissha Group and the improvement of corporate value over the medium to long term and to ensure that their respective duties are duly performed.

The basic policy on compensation for Directors of the Board who are responsible for business execution is to promote the sharing of value with shareholders and contribute to the improvement of corporate performance and corporate value. The compensation consists of a base salary (monetary compensation), which is fixed compensation, bonus (monetary compensation), which is short-term performance-linked compensation, and stock compensation, etc., which is medium- to long-term performance-linked compensation. The base salary (monetary compensation) is fixed monthly compensation and determined based on the importance of duties each Director of the Board is responsible for and their positions. The bonus (monetary compensation), which is short-term performance-linked compensation, is based on periodic profit or loss, such as consolidated net sales and consolidated operating profit, as indicators to function as an incentive to achieve performance targets for each fiscal year and to encourage appropriate management. The Company determines the amount of the bonus by evaluating the level of achievement of the performance targets and pays it at a fixed time each year. Stock compensation, etc., which is medium- to long-term performance-linked compensation (non-monetary compensation, etc.), was designed to function as an incentive to promote a sense of contribution to the sustainable growth of the Nissha Group and the improvement of corporate value over the medium to long term. Specifically, a Board Benefit Trust (BBT) is used. Under this system, the Company awards points to Directors of the Board, etc. according to their titles and the attainment levels of consolidated performance targets as well as medium-term performance targets for each

fiscal year during a three-year period covered by the Medium-term Business Plan. On a fixed date in every final fiscal year of the Medium-term Business Plan, the Company grants or pays shares in the Company and cash equivalents of such shares at their market value (hereinafter together, “Company Shares”) through the trust according to the number of points awarded. As for indicators for awarding points, consolidated net sales and operating profit are used for the consolidated performance targets for each fiscal year, while the level of achievement of ROE, one of our key business management indicators set forth in a Medium-term Business Plan, is used for the medium-term performance target.

The ratios of compensation by type are determined based on the compensation level of companies of a similar scale to the Company and those in related industries and general trends.

Compensation for Independent Outside Directors of the Board does not include performance-linked compensation as they supervise management from a standpoint independent from business execution. It consists solely of a base salary, which is fixed compensation, and is determined by considering the career and responsibilities of the relevant Independent Outside Director of the Board.

The Company has established a Nomination and Compensation Committee as an advisory panel for the Board of Directors of the Company. The Nomination and Compensation Committee is chaired by an Independent Outside Director of the Board and the majority of its members are Independent Outside Directors of the Board. The Chairman of the Board, President and CEO prepares proposed compensation amounts for Directors of the Board in accordance with predetermined calculation methods within the range of compensation limits determined at General Meetings of Shareholders. Upon consultation by the Board of Directors, the Nomination and Compensation Committee deliberates the details of the proposed compensation amounts and submits a report to the Board of Directors. The Board of Directors then determines the compensation amounts based on the report.

- (iii) Reasons for the Board of Directors’ determination that the details of compensation for Directors of the Board for the current fiscal year are in line with the determination policy

The Nomination and Compensation Committee deliberated on the individual compensation for Directors of the Board for the current fiscal year from various viewpoints and confirmed that the details of compensation for Directors of the Board and the determination process are in line with the determination policy. With respect to the report from the Nomination and Compensation Committee, the Board of Directors determined that the details of compensation are in line with the determination policy.

## 2) **Matters regarding compensation for Audit and Supervisory Board Members**

Compensation for Audit and Supervisory Board Members is determined through discussions among Audit and Supervisory Board Members within the range of a compensation limit determined at a General Meeting of Shareholders. It consists solely of a fixed base salary as Audit and Supervisory Board Members are responsible for auditing the entire Nissha Group from an independent standpoint.



### 3) Total amount of compensation paid to Directors of the Board and Audit and Supervisory Board Members

Title	Number of officers	Total amount of compensation	Total amount of compensation by type		
			Fixed compensation	Performance-linked compensation, etc.	
			Base salary	Bonus	Stock compensation, etc. (Non-monetary compensation, etc.)
Directors of the Board (Independent Outside Directors of the Board)	9 (4)	¥293 million (¥36 million)	¥207 million (¥36 million)	¥45 million (–)	¥40 million (–)
Audit and Supervisory Board Members (Independent Audit and Supervisory Board Members)	4 (2)	¥51 million (¥18 million)	¥51 million (¥18 million)	–	–

Notes: 1. It was resolved at the Ordinary General Meeting of Shareholders for the 97<sup>th</sup> Business Term, held on June 17, 2016, that the amount of compensation to be paid to Directors of the Board in total per year shall not exceed ¥430 million (of which, the amount of compensation to be paid to Independent Outside Directors of the Board shall not exceed ¥40 million). The number of Directors of the Board at the close of the Ordinary General Meeting of Shareholders was eight (including four Independent Outside Directors of the Board).

In addition to the total amount of compensation for Directors of the Board mentioned above, it was resolved at the Ordinary General Meeting of Shareholders for the 102<sup>nd</sup> Business Term held on March 19, 2021 that, under a performance-linked stock compensation plan, the maximum amount of contributions to be made to acquire shares of the Company every three fiscal years shall be ¥226 million and the maximum number of Company Shares to be provided every three fiscal years shall be equivalent to 411,000 shares. At the close of the Ordinary General Meeting of Shareholders, the number of Directors of the Board was nine, and the number of Directors of the Board eligible for this plan was five (excluding Independent Outside Directors of the Board).

- The performance-linked stock compensation, etc. is stated at the amount of provision for management board benefit trust recorded for the current fiscal year. The Company Shares will be actually granted on a fixed date after the end of the period covered by the 7th Medium-term Business Plan (from January 1, 2021 through December 31, 2023).
- Please refer to “(1) Policy for determining the details of individual compensation for Directors of the Board” above for the details of performance indicators selected as the basis for calculation of performance-linked compensation, etc., reasons for the selection, and calculation methods. The results of the performance indicators for the current fiscal year were ¥167,700 million in consolidated net sales, ¥3,800 million in consolidated operating loss, and negative 2.7% of ROE.
- It was resolved at the Ordinary General Meeting of Shareholders for the 97<sup>th</sup> Business Term, held on June 17, 2016, that the amount of compensation to be paid to Audit and Supervisory Board Members in total per year shall not exceed ¥60 million (of which, the amount of compensation to be paid to Independent Audit and Supervisory Board Members shall not exceed ¥20 million). The number of Audit and Supervisory Board Members at the close of the Ordinary General Meeting of Shareholders was four (including two Independent Audit and Supervisory Board Members).

**(6) Matters Regarding Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members**

**1) Major activities of Independent Outside Directors of the Board**

Name	Attendance at meetings of the Board of Directors	Attendance at meetings of the Nomination and Compensation Committee	Major activities and outline of duties performed concerning expected duties
Kazuhito Osugi	100% (18 out of 18)	100% (4 out of 4)	<p>At meetings of the Board of Directors, he gave advice and opinions concerning the management of the Company based on his deep insight into the field of finance and duly performed his duties, such as the supervision of the management.</p> <p>He also served as the Chairman of the Nomination and Compensation Committee and played an important role in ensuring objectivity and fairness in the appointment of Directors of the Board and Audit and Supervisory Board Members and treatment of Directors of the Board.</p>
Asli M. Colpan	100% (18 out of 18)	100% (4 out of 4)	<p>At meetings of the Board of Directors, she gave advice and opinions concerning the management of the Company based on her deep insight as a researcher in corporate governance and management strategies and duly performed her duties, such as the supervision of the management.</p> <p>She also served as a member of the Nomination and Compensation Committee and played an important role in ensuring objectivity and fairness in the appointment of Directors of the Board and Audit and Supervisory Board Members and treatment of Directors of the Board.</p>
Kazumichi Matsuki	100% (18 out of 18)	100% (4 out of 4)	<p>At meetings of the Board of Directors, he gave advice and opinions concerning the management of the Company based on his deep insight into legal affairs and compliance cultivated at a trading company and in the manufacturing industry as well as his broad experience in corporate management and duly performed his duties, such as the supervision of the management.</p> <p>He also served as a member of the Nomination and Compensation Committee and played an important role in ensuring objectivity and fairness in the appointment of Directors of the Board and Audit and Supervisory Board Members and treatment of Directors of the Board.</p>
Juichi Takeuchi	100% (18 out of 18)	100% (4 out of 4)	<p>At meetings of the Board of Directors, he gave advice and opinions concerning the management of the Company based on his broad experience and extensive knowledge of leading global strategies in a medical devices company for many years and duly performed his duties, such as the supervision of the management.</p> <p>He also served as a member of the Nomination and Compensation Committee and played an important role in ensuring objectivity and fairness in the appointment of Directors of the Board and Audit and Supervisory Board Members and treatment of Directors of the Board.</p>

**2) Major activities of Independent Audit and Supervisory Board Members**

Name	Attendance at meetings of the Board of Directors	Attendance at meetings of the Audit and Supervisory Board	Major activities
Shigeaki Momo-o	100% (18 out of 18)	100% (13 out of 13)	At meetings of the Board of Directors and the Audit and Supervisory Board, he gave advice and opinions mainly from a professional standpoint as a lawyer.
Yusuke Nakano	100% (18 out of 18)	100% (13 out of 13)	At meetings of the Board of Directors and the Audit and Supervisory Board, he gave advice and opinions mainly from a professional standpoint as a certified public accountant.

**3) Total amount of compensation of Independent Outside Directors of the Board and Independent Audit and Supervisory Board Members received from subsidiaries of the Company**

Not applicable.

**5. Policy regarding the decision of distribution of the dividends of surplus, etc.**

The Company, while giving consideration to financial safety, uses cash flows generated by operating activities, etc. mainly for growth investments, including M&As, capital investment, and research and development, which will contribute to the improvement of the corporate value over a medium- to long term. Our basic policy is to provide stable ongoing dividends to our shareholders. In determining distributions of profits to shareholders, the Company implements the basic policy of consistent dividends by taking into account a full range of factors including its business results, payout ratios, financial soundness, and other factors. The Company will consider, as appropriate, special dividends reflecting its business results in the current fiscal year and acquisition of treasury shares as a way of improving capital efficiency.

The Company decided to pay a year-end dividend of ¥25 per share for the current fiscal year, taking into account a full range of factors including the results of the fiscal year, the current cash demand, and the financial position, totaling ¥50 per share for the annual dividend with an interim dividend of ¥25 per share.

In order to flexibly implement distribution of the dividends of surplus, etc., it is provided for in the Company's Articles of Incorporation that the Company may decide dividends of surplus, etc. by resolution of the Board of Directors.

## Consolidated Statements of Financial Position

(As of December 31, 2023)

(Millions of Yen)

Items	Amount	Items	Amount
<b>(ASSETS)</b>		<b>(LIABILITIES)</b>	
<b>Current assets</b>	<b>107,401</b>	<b>Current liabilities</b>	<b>46,592</b>
Cash and cash equivalents	37,854	Trade and other payables	28,609
Trade and other receivables	31,267	Borrowings	7,823
Inventories	31,260	Other financial liabilities	1,535
Other financial assets	868	Lease liabilities	1,857
Other current assets	6,149	Income taxes payable, etc.	636
		Provisions	74
		Other current liabilities	6,055
<b>Non-current assets</b>	<b>110,451</b>	<b>Non-current liabilities</b>	<b>60,407</b>
Property, plant and equipment	43,169	Bonds and borrowings	37,225
Goodwill	20,238	Other financial liabilities	23
Intangible assets	14,644	Lease liabilities	8,862
Right-of-use assets	9,693	Retirement benefit liability	6,395
Investments accounted for using equity method	4,539	Provisions	52
Other financial assets	16,313	Deferred tax liabilities	7,576
Retirement benefit asset	371	Other non-current liabilities	271
Deferred tax assets	1,211	<b>Total liabilities</b>	<b>107,000</b>
Other non-current assets	270	<b>(EQUITY)</b>	
		<b>Equity attributable to owners of parent</b>	<b>110,913</b>
		Share capital	12,119
		Capital surplus	14,865
		Retained earnings	69,934
		Treasury shares	(4,019)
		Other components of equity	18,013
		<b>Non-controlling interests</b>	<b>(60)</b>
		<b>Total equity</b>	<b>110,852</b>
<b>Total assets</b>	<b>217,853</b>	<b>Total liabilities and equity</b>	<b>217,853</b>

(Note) Amounts are rounded down to the nearest million yen.

## Consolidated Statements of Profit or Loss

(From January 1, 2023 to December 31, 2023)

(Millions of Yen)

Items	Amount
Net sales	167,726
Cost of sales	(135,103)
Gross profit	32,622
Selling, general and administrative expenses	(33,000)
Other income	698
Other expenses	(3,894)
Share of profit (loss) of investments accounted for using equity method	(243)
Operating profit (loss)	(3,817)
Finance income	2,897
Finance costs	(1,842)
Profit (loss) before tax	(2,762)
Income tax expense	(252)
Profit (loss)	(3,014)
<b>Profit (loss) attributable to:</b>	
Owners of parent	(2,988)
Non-controlling interests	(25)
<b>Profit (loss)</b>	<b>(3,014)</b>

(Note) Amounts are rounded down to the nearest million yen.

## Non-consolidated Balance Sheet

(As of December 31, 2023)

(Millions of Yen)

Items	Amount	Items	Amount
<b>(ASSETS)</b>		<b>(LIABILITIES)</b>	
<b>Current assets</b>	<b>45,898</b>	<b>Current liabilities</b>	<b>27,227</b>
Cash and deposits	15,209	Accounts payable-trade	15,582
Notes receivable-trade	274	Electronically recorded obligations	1,509
Accounts receivable-trade	14,519	Short-term borrowings	5,000
Short-term loans receivable	3,972	Accrued expenses	2,090
Merchandise and finished goods	4,562	Income taxes payable	58
Work in process	1,470	Provision for bonuses	804
Raw materials and supplies	1,573	Provision for directors' bonuses	52
Accounts receivable-other	1,135	Provision for management board benefit trust	249
Consumption taxes receivable	1,230	Other	1,881
Income taxes refund receivable	633		
Other	1,316	<b>Long-term liabilities</b>	<b>31,612</b>
Allowance for doubtful accounts	(1)	Bonds payables	10,000
		Long-term borrowings	15,236
<b>Non-current assets</b>	<b>97,022</b>	Deferred tax liabilities	3,115
<b>Property, plant and equipment</b>	<b>19,761</b>	Provision for stock benefit trust	58
Buildings	11,921	Net defined benefit liability	2,625
Structures	258	Other	576
Machinery and equipment	186		
Vehicles	1	<b>Total liabilities</b>	<b>58,840</b>
Tools, furniture and fixtures	1,400	<b>(NET ASSETS)</b>	
Land	5,901	<b>Shareholders' equity</b>	<b>75,134</b>
Lease assets	23	<b>Share capital</b>	<b>12,119</b>
Construction in progress	67	<b>Capital surplus</b>	<b>15,178</b>
<b>Intangible assets</b>	<b>729</b>	Legal capital surplus	13,550
Software	546	Other capital surplus	1,628
Other	182	<b>Retained earnings</b>	<b>51,715</b>
<b>Investments and other assets</b>	<b>76,531</b>	Legal retained earnings	1,230
Investment securities	14,307	Other retained earnings	50,485
Shares of subsidiaries and associates	51,666	Reserve for open innovation promotion	34
Investments in other securities of subsidiaries and associates	57	General reserve	28,766
Investments in capital of subsidiaries and associates	5,946	Retained earnings brought forward	21,684
Long-term loans receivable	5,836		
Claims provable in bankruptcy, claims provable in rehabilitation and other	224	<b>Treasury shares</b>	<b>(3,879)</b>
Prepaid pension cost	106		
Other	1,249	<b>Valuation and translation adjustments</b>	<b>8,946</b>
Allowance for doubtful accounts	(2,863)	Valuation difference on available-for-sale securities	8,946
		<b>Total net assets</b>	<b>84,081</b>
<b>Total assets</b>	<b>142,921</b>	<b>Total liabilities and net assets</b>	<b>142,921</b>

(Note) Amounts are rounded down to the nearest million yen.

## Non-consolidated Statement of Income

(From January 1, 2023 to December 31, 2023)

(Millions of Yen)

Items	Amount	
<b>Net sales</b>		<b>68,866</b>
<b>Cost of sales</b>		<b>57,662</b>
<b>Gross profit</b>		<b>11,204</b>
<b>Selling, general and administrative expenses</b>		<b>14,628</b>
<b>Operating loss</b>		<b>3,424</b>
<b>Non-operating income</b>		
Interest and dividend income	3,289	
Non-current assets rent	1,218	
Foreign exchange gain	1,599	
Other	161	
		<b>6,267</b>
<b>Non-operating loss</b>		
Interest expenses	115	
Interest on bonds	44	
Expenses for non-current asset loaned	349	
Idle asset expenses	440	
Other	90	
		<b>1,041</b>
<b>Ordinary profit</b>		<b>1,801</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	3	
State subsidy	38	
Gain on sale of investment securities	523	
Reversal of allowance for doubtful accounts for subsidiaries and associates	223	
		<b>789</b>
<b>Extraordinary losses</b>		
Loss on sale and retirement of non-current assets	42	
Loss on valuation of investment securities	36	
Loss on valuation of shares of subsidiaries and associates	7,266	
Loss on revision of retirement benefit plan	62	
Loss on debt forgiveness	41	
		<b>7,448</b>
<b>Loss before income taxes</b>		<b>4,857</b>
Income taxes - current	28	
Income taxes - deferred	(419)	
		<b>(391)</b>
<b>Loss</b>		<b>4,466</b>

(Note) Amounts are rounded down to the nearest million yen.

(TRANSLATION)

**INDEPENDENT AUDITOR'S REPORT**

February 15, 2024

To the Board of Directors of  
Nissha Co., Ltd.:

Deloitte Touche Tohmatsu LLC  
Kyoto office

Designated Engagement Partner,  
Certified Public Accountant:

Akiyo Shimoida

Designated Engagement Partner,  
Certified Public Accountant:

Tomomi Tsuji

**Opinion**

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Nissha Co., Ltd. and its consolidated subsidiaries (the "Group"), namely, the consolidated statement of financial position as of December 31, 2023, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from January 1, 2023 to December 31, 2023, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023, and its consolidated financial performance for the year then ended in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under International Financial Reporting Standards.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**



## **Accounting Auditors' Report Relating to the Consolidated Financial Statements**

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under International Financial Reporting Standards.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the

## **Accounting Auditors' Report Relating to the Consolidated Financial Statements**

audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting standards prescribed pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting that omit a part of the disclosures required under International Financial Reporting Standards, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

### Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. The other information in “the accompanying supplemental schedules” referred to in the “Other Information” section of this English translation is not translated.

## Accounting Auditors' Report

(TRANSLATION)

### INDEPENDENT AUDITOR'S REPORT

February 15, 2024

To the Board of Directors of  
Nissha Co., Ltd.:

Deloitte Touche Tohmatsu LLC  
Kyoto office

Designated Engagement Partner,  
Certified Public Accountant:

Akiyo Shimoida

Designated Engagement Partner,  
Certified Public Accountant:

Tomomi Tsuji

#### Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of Nissha Co., Ltd. (the "Company"), namely, the nonconsolidated balance sheet as of December 31, 2023, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 105th fiscal year from January 1, 2023 to December 31, 2023, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and

## **Accounting Auditors' Report**

operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## Accounting Auditors' Report

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

### Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader. "The accompanying supplemental schedules" referred to in the "Opinion" section of this English translation are not included in the attached financial documents. The other information in "the accompanying supplemental schedules" referred to in the "Other Information" section of this English translation is not translated.

## Audit Report of the Audit and Supervisory Board

(TRANSLATION)

### AUDIT REPORT

The Audit and Supervisory Board, upon deliberation, has prepared this Audit Report based on the audit reports prepared by each Audit and Supervisory Board Member regarding the execution by the Directors of the Board of their duties during the 105<sup>th</sup> business term from January 1, 2023 through December 31, 2023, and hereby reports as follows:

1. Auditing Methods Employed by the Audit and Supervisory Board Members and the Audit and Supervisory Board, and Details Thereof
  - (1) The Audit and Supervisory Board established the auditing policy, auditing plans and other guidelines, received reports from each Audit and Supervisory Board Member on the execution of audits and results thereof, and in addition, received reports from Directors of the Board, etc. and the Accounting Auditor on the execution of their duties, and when necessary, requested explanations regarding such reports.
  - (2) In accordance with the auditing standards for the Audit and Supervisory Board Members, established by the Audit and Supervisory Board, and the auditing policy, auditing plans and other guidelines, each Audit and Supervisory Board Member maintained good communications with Directors of the Board, the internal audit division, other employees, etc., and collected information and improved the auditing environment. We thereupon conducted audit by the following methods.
    - 1) We attended meetings of the Board of Directors and other meetings deemed important, received reports on the execution of their duties from Directors of the Board, employees, etc. and, when necessary, requested explanations, inspected documents on the basis of which important decisions were made, and examined status of business and assets at the head office and principal offices. We also maintained good communications and exchanged information with directors of the board, audit and supervisory board members and others of subsidiaries of the Company and, as necessary, received from the subsidiaries reports on their business conditions.
    - 2) We regularly received reports from Directors of the Board and employees, etc., requested explanations regarding such reports when necessary and expressed our opinions regarding the status of construction and management of details of resolutions made by the Board of Directors concerning the establishment of systems necessary to ensure that the execution of the duties by Directors of the Board complies with laws, regulations and the Company's Articles of Incorporation, which is listed in business report, and systems defined under Paragraph 1 and Paragraph 3 of Article 100 of the Ordinance for Enforcement of the Companies Act as what is other systems necessary to ensure the properness of operations of the company group, which consists of a joint stock company and its consolidated subsidiaries, and systems established on the basis of said resolution (internal control systems).
    - 3) With regard to the basic policy defined under Item 3(a) of Article 118 of the Ordinance for Enforcement of the Companies Act, which is stated in the business report, and various activities defined under Item 3(b) of Article 118 of the same Act, we reviewed details based on the deliberations of the Board of Directors, etc.
    - 4) We also monitored and verified whether the Accounting Auditor maintains independence and properly conducts audits, received from the Accounting Auditor reports on the execution of duties and, when necessary, requested explanations. We received a report from the Accounting Auditor that "systems for ensuring proper execution of duties" (listed in each item of Article 131 of the Ordinance for Corporate Accounting) have been established in accordance with the "Standards for Quality Control of Audit Practices" (Business Accounting Council), etc. and, when necessary, requested explanations from the Accounting Auditor.

Based on the methods mentioned above, we reviewed the business report for the said business term and their supplementary schedules, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity and notes to non-consolidated financial statements), their supplementary schedules and the consolidated financial statements (consolidated statements of financial position, consolidated statements of profit or loss, consolidated statement of changes in equity and notes to consolidated financial statements).

## Audit Report of the Audit and Supervisory Board

### 2. Results of Audit

#### (1) Results of audit of the business report, etc.

- 1) The business report and its supplementary schedules are found to correctly present the status of the Company in conformity with laws, regulations, and the Company's Articles of Incorporation.
- 2) With respect to the execution of duties by Directors of the Board, no misconduct or material fact in violation of laws, regulations or the Company's Articles of Incorporation is found to exist.
- 3) The details of resolutions passed by the Board of Directors concerning internal control systems are found to be appropriate. In addition, there is nothing to be reported on the contents of the business report and the execution of duties by Directors of the Board regarding the relevant internal control systems.
- 4) There is nothing to be reported on the basic policy regarding parties who hold control over the determination of the Company's financial matter and business policies, which is stated in the business report. Various activities defined under Item 3(b) of Article 118 of the Ordinance for Enforcement of the Companies Act comply with the relevant basic policy and are found neither to damage the common interests of shareholders of the Company nor to have the purpose of maintaining the positions of Directors of the Board and Audit and Supervisory Board Members of the Company.

#### (2) Results of audit of non-consolidated financial statements and their supplementary schedules

The methods and results of the audit conducted by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are found to be appropriate.

#### (3) Results of audit of consolidated financial statements

The methods and results of the audit conducted by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, are found to be appropriate.

February 15, 2024

Audit and Supervisory Board of Nissha Co., Ltd.

Full-time Audit and Supervisory Board Member Tetsuya Taniguchi (Seal)

Full-time Audit and Supervisory Board Member Kenji Imai (Seal)

Independent Audit and Supervisory Board Member Shigeaki Momo-o (Seal)

Independent Audit and Supervisory Board Member Yusuke Nakano (Seal)

END